

## **SAFETY INCENTIVE PRICE REVISION (MAR 2007)**

(a) General. The total subcontract price is subject to revision in accordance with this clause.

(b) Data submission. (1) Upon acceptance by the Company of the Seller's work under this subcontract and demobilization by the Seller and all lower-tier subcontractors, the Seller shall submit to the Subcontract Administrator a composite Total Recordable Case (TRC) Rate for the Seller and its subcontractors at all tiers (including material and equipment vendors when on site). The composite TRC Rate shall be calculated by –

- adding together the number of injuries and illnesses experienced by the Seller and its subcontractors at all tiers (including material and equipment vendors when on site) that are recordable under 29 CFR 1904, Subpart C and related to the work under this subcontract;
- dividing that number by the number of hours worked on site by the Seller and its subcontractors at all tiers (including material and equipment vendors when on site); and
- multiplying the result by 200,000.

(2) The Seller shall provide all relevant data – including copies of OSHA Form 300, Log of Work-Related Injuries and Illnesses, and OSHA Form 301, Injury and Illness Incident Report - that the Subcontract Administrator may reasonably require in administering this clause.

(c) Price revision. Upon receipt of data required by paragraph (b), the Subcontract Administrator shall establish the price adjustment as follows:

(1) If the Seller and its subcontractors at all tiers have no injuries or illnesses that are recordable under 29 CFR 1904, Subpart C, the adjustment is an increase of \$ [insert maximum increase].

(2) If the Seller or a subcontractor at any tier has a fatal recordable injury or illness, the adjustment is a decrease of \$ [insert maximum decrease].

(3) If the composite TRC Rate is less than or equal to \_\_\_\_ for nonfatal recordable injuries or illnesses, the adjustment is an increase of \$ \_\_\_\_.

(4) If the composite TRC Rate is greater than \_\_\_\_ but less than \_\_\_\_ for nonfatal recordable injuries or illnesses, no adjustment will be made.

(5) If the composite TRC Rate is greater than or equal to \_\_\_\_ but less than \_\_\_\_ for nonfatal recordable injuries or illnesses, the adjustment is a decrease of \$ \_\_\_\_.

(6) If the composite TRC Rate is \_\_\_\_ or greater for nonfatal recordable injuries or illnesses, the adjustment is a decrease of \$ [insert maximum decrease].

(d) Subcontract modification. The price adjustment specified in paragraph (c) shall be documented by a unilateral modification to this subcontract issued by the Subcontract Administrator.

(e) Equitable adjustment under other clauses. Equitable adjustments in price under other clauses of this subcontract do not affect the price increases or decreases that may be made under this clause.

(f) Termination. (1) If this subcontract is terminated for default, no price increases will be made under this clause. Decreases in price that would have been made under this clause if the work had been completed and accepted shall be considered a cost incurred by the Company in completing the work.

(2) If this subcontract is terminated in whole for convenience, price increases or decreases in paragraph (c) will be applied to the amount determined due under the Termination for

Convenience clause in the proportion that the amount determined due bears to the subcontract price. For example, if the amount determined due is 70% of the subcontract price, an adjustment under subparagraph (c)(3) would be an increase of 70% of \$\_\_\_\_\_.

(3) If this subcontract is terminated in part for convenience, price increases or decreases in paragraph (c) will be applied to the continued part of the subcontract in the proportion that the price of the continued part bears to the total subcontract price before termination. For example, if the total subcontract price was \$10 million and the price of the continued part was \$4 million, an adjustment under paragraph (c)(3) would be an increase of 40% of \$\_\_\_\_\_.